



CITY COUNCIL STAFF REPORT

MEETING DATE: May 7, 2014

FOURTH AMENDMENT TO AGREEMENT NEIGHBORHOOD HOUSING SERVICES OF SILICON VALLEY

RECOMMENDED ACTION(S):

Adopt resolution authorizing City Manager to execute a fourth amendment to Consultant Agreement with Neighborhood Housing Services of Silicon Valley for an amount not to exceed \$75,000 for Below Market Rate (BMR) Administration services for the period ending April 30, 2015.

EXECUTIVE SUMMARY:

The City of Morgan Hill contracted with Neighborhood Housing Services of Silicon Valley (NHSSV) on April 18th, 2012 to provide BMR Program Administration. These services were formerly provided to the Community by former Redevelopment Agency Staff. With the dissolution of California Redevelopment Agencies, the City chose to partner with other organizations to provide Housing services rather than perform those functions in-house. The City originally contracted with NHSSV based upon a long history of housing service collaboration. The 2012/13 contract was for \$90,000, included \$15,000 in program start up costs, and expired on April 30, 2013. The contract was extended for one year in the same amount of \$75,000 and approved by City Council on May 1st 2013. A third amendment was approved November 6th by City Council to increase funding by \$25,000.

The firm has performed this service with distinction and City staff is recommending that Neighborhood Housing Services of Silicon Valley's Consultant Agreement be extended for one more year at the previous level of \$75,000. Next year, the City will issue a new Request For Proposals but recommends continuing to build on the work of the past two years. The contract extension meets one of the Council's Goals to:

- Ensure that the City's contract processes for materials, services, and capital projects are transparent, clear, and structured so that the City receives the best value.

Upon assuming the BMR Administration role in 2012, Neighborhood Housing Services of Silicon Valley has been instrumental in working on a number of BMR issues ranging from resale (including distressed properties in need of repair) to maintenance to refinancing. Transaction types included:

- Sale and resale of former RDA Housing properties
- New Constructions Sales of BMR's committed through the RDCA process
- Owner to Owner Re-Sale Transactions
- Non Owner Occupancy Re-Sale Transactions
- Distressed Sale Transactions/work-outs

Attached is a letter from NHSSV that describes in detail the number of transactions that they have performed and resident inquiries received.

FISCAL IMPACT

The Housing Mitigation Fund will be used to fund this contract.

Agenda Item # 8
Prepared By: Housing Manager
Approved By: Assistant City Manager
Submitted By: City Manager

FOURTH AMENDMENT TO AGREEMENT
Neighborhood Housing Services of Silicon Valley

This Fourth AMENDMENT TO AGREEMENT is entered into and becomes effective on _____, 2014 (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and, Neighborhood Housing Services of Silicon Valley, a California non-profit Corporation ("CONSULTANT").

RECITALS

The following recitals are a substantive part of this Agreement:

1. The CITY and CONSULTANT entered into that "Consultant Agreement" made as of April 18, 2012, for consultant services for a maximum compensation of \$90,000 ("CONSULTANT AGREEMENT"). The CONSULTANT AGREEMENT is attached as Exhibit "A" to this Agreement.
2. The CITY and CONSULTANT both signed letter First Amendment to CONSULTANT AGREEMENT that confirmed both parties understanding to Section 4.3 BMR Sale/Resale Transaction Fee and Exhibit A, Item U: Consultant will review and process requests for refinancing of BMR homes including subordination collection of applicable fees.
3. The CITY and CONSULTANT both signed Second Amendment made as of June 27, 2013. This Second Amendment to Agreement was entered into based upon City of Morgan Hill City Council approval on May 1, 2013. This Second Amendment extended the term of the Agreement by one year through April 30, 2014 and increased compensation by \$75,000 for a new total compensation of \$150,000.
4. The CITY and CONSULTANT both signed Third Amendment made as of January 13, 2014. This Third Amendment to Agreement was entered into based upon City of Morgan Hill City Council approval on November 6, 2013. This Third Amendment increased compensation by \$25,000 for a new total compensation of \$190,000.

This Fourth Amendment to Agreement is entered into based upon City of Morgan Hill City Council approval on May 7, 2014. This Fourth Amendment extends the term of the Agreement for one year through April 30, 2015 and increases compensation by \$75,000 for a new total compensation of \$265,000.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Amendments:** All terms and conditions of the CONSULTANT AGREEMENT, as amended, as attached as Exhibit "A," shall be extended and remain in full force and effect; except that the following amendments shall be made as set forth below:

A. Paragraph 2 shall be amended and replaced in its entirety by the following:

- "2. **Term of Agreement.** This Agreement shall be effective and cover services rendered

from April 18, 2012, until April 30, 2015.”

B. Paragraph 4.1 shall be amended and replaced in its entirety by the following:

“**4.1 Amount:** \$265,000. Total compensation under this Agreement shall not exceed One Hundred Ninety Thousand dollars and shall be billed based on the rate and basis set forth in Exhibit B.”

2. **Conflicts.** In the event of a conflict between the terms and provisions of this Third Amendment to Agreement and the terms and provisions of the CONSULTANT AGREEMENT or any earlier amendment, the terms of this Third Amendment to Agreement shall govern and control.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

(1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; **AND**
(2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:

CITY OF MORGAN HILL

City Clerk

Date: _____

City Manager

Date: _____

APPROVED AS TO FORM:

Neighborhood Housing Services of Silicon Valley

City Attorney

Date: _____

By:

Title: _____

Print Name and Title of Signer.

If Corporate: Chairman, President or Vice President

Date: _____

By:

Title: _____

Print Name and Title of Signer.

If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Date: _____

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING, AND AUTHORIZING THE CITY MANAGER TO EXECUTE, THAT CERTAIN FOURTH AMENDMENT TO CONSULTANT AGREEMENT WITH NEIGHBORHOOD HOUSING SERVICES OF SILICON VALLEY FOR BMR ADMINISTRATION

WHEREAS, the City of Morgan Hill, a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California ("City"), is authorized to enter into contracts and agreements for the benefit of the City; and

WHEREAS, the reasons supporting the entrance of the City into that certain agreement described in, and that is the subject of, this Resolution are set forth in detail in that certain City Council Staff Report entitled "FOURTH AMENDMENT TO AGREEMENT NEIGHBORHOOD HOUSING SERVICES OF SILICON VALLEY" submitted for City Council consideration at its meeting of May 7, 2014, submitted to the City Council by the City Manager (the "Staff Report"), the contents of which Staff Report are incorporated herein by this reference; and

WHEREAS, the consideration by City Council of the adoption of this Resolution has been duly noticed pursuant to applicable laws and has been placed upon the City Council Meeting Agenda on the date set forth in the Staff Report, or to such date that the City Council may have continued or deferred consideration of this Resolution, and on such date the City Council conducted a duly noticed public meeting at which meeting the City Council provided members of the public an opportunity to comment and be heard and considered any and all testimony and other evidence provided in connection with the adoption of this Resolution; and

WHEREAS, the activities allowed under this Resolution do not constitute a project under the provisions of California Environmental Quality Act of 1970; and

WHEREAS, the City Council determines that adoption of this Resolution is in the public interest.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

Section 1. Recitals. The City Council does hereby find, determine and resolve that all of the foregoing recitals are true and correct.

Section 2. Approval and Authorization. The City Council does further resolve, order and/or direct as follows:

- a. That the Fourth Amendment to Consultant Agreement with Neighborhood Housing Services of Silicon Valley for BMR Administration substantially in

the form attached hereto as Exhibit A and incorporated herein by this reference (the "Fourth Amendment") is hereby approved.

- b. That the City Manager is hereby delegated authority to and is authorized and directed to execute the Fourth Amendment substantially in the form attached hereto as Exhibit A; provided, specifically, that the total amounts to be paid by City under all agreements with Neighborhood Housing Services of Silicon Valley including all amendments thereto, shall in no event exceed one hundred ninety thousand dollars (\$265,000).

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this 7th day of May, 2014 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:

DATE: _____

Steve Tate, MAYOR

∞ **CERTIFICATION** ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No.XXXX , adopted by the City Council at the meeting held on , 201_.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

Irma Torrez, CITY CLERK

City of Morgan Hill BMR Contract Renewal Report – April 2014

May 2014 marks the start of NHSSV's third City of Morgan Hill BMR Administration Contract year. As we look forward to plan this year's program goals, it's important to look back at past program milestones:

- The first contract year (May 2012 – April 2013), focused efforts on achieving important milestones to get the BMR program past the "fire drill" stage of program management services in a post RDA era. Upon assuming the BMR Administration role in Spring 2012, we spent the majority of our time fulfilling the immediate needs of BMR homeowners and City management on matters ranging from resale (including distressed properties in need of repair) to maintenance to refinancing. Along with providing those much needed services, we were instrumental in constructing the framework needed to close real estate transactions in the Post RDA era. These transactions included: 1) New Constructions Sales with the newly named Successor Agency; 2) Owner to Owner Re-Sale Transactions; 3) Non Owner Occupancy Re-Sale Transactions; and 4) Distressed Sale Transactions.
- The first half of the second contract year (May 2013 – October 2013), concentrated on building NHSSV's internal team to tailor administration services to the needs of the Morgan Hill BMR community. We hired and placed specialized real estate professionals within a team structure that understands the differences between the Below Market Rate and Traditional Market rate First Time Home Buyer environments - specifically, in terms of the real estate, financing and homeownership protocols and procedures. We also continued to build and educate a strong buyer base in a challenging first mortgage environment for low to moderate income earners to ensure owners who wanted to resell their homes could do so in the timelines and protocols associated with their recorded deed restrictions.
- The second half of the second contract year (November 2013 – April 2014), allowed NHSSV, with added support from the City of Morgan Hill, to move beyond the immediate needs of distressed sales transactions and towards preventing distressed transactions through purposeful intervention. We did this by harnessing the training and talents of our expanded BMR team to manage increased day-to-day activity, unique cases with disputes (homeowner occupancy issues & legacy issues with penned up demand to resale homes), new administrative processes (e.g. Morgan Hill's first Affordable Housing Agreement) and research the City's BMR inventory for mortgage and homeowner defaults.

During the third contract year we will streamline team efforts and continue to meet contract deliverables while proactively protecting Below Market Rate homes from foreclosure through NHSSV's newly minted Affordable Housing Preservation Program.

NHSSV's Affordable Housing Preservation Program combines the strengths of our NeighborWorks and HUD Foreclosure Intervention Counseling, our Housing Department's expertise in understanding the legal framework and practice of enforcing deed restrictions, and our access to financial capital to exercise the City of Morgan Hill's Option to Purchase BMRs in mortgage default as the administrative assignee.

Neighborhood Housing Services Silicon Valley | 31 N Fourth Street, San Jose, CA 95113 | 408.279.2600

At any given time, the City of Morgan Hill's BMR units are in jeopardy of being lost to foreclosure. We are aware of 13 homes currently in jeopardy after reviewing Notices of Default for over 400 Morgan Hill BMR units. Despite more affordable housing payments, if a BMR owner experiences hardship, such as unemployment, and the City or another entity is not able to assist the owner with the sale of their home in a timely manner to another qualified low/moderate income buyer, then the home is at risk of foreclosure by the first mortgagor. In the event of foreclosure to a BMR home, the deed restrictions are no longer valid and the unit can be sold at market. In the more recent past, the City of Morgan Hill or NHSSV was not typically equipped to intervene due to lack of staffing, capital, or both; especially since the elimination of Redevelopment Agencies in 2012.

NHSSV, through our Affordable Housing Preservation Program, is uniquely positioned to intervene in potential BMR foreclosure cases by preserving the City's BMR units that were created through millions of dollars in public investment. The Affordable Housing Preservation Program offers BMR homeowners mortgage default relief through foreclosure modification services or by resale to another qualified BMR buyer or our agency. NHSSV is a HUD Counseling Agency providing post-purchase and foreclosure intervention counseling support for homeowners in mortgage default. As a real estate broker, NHSSV has the capacity and licensing to represent the BMR homeowner, if modification services are unattainable, to sell their property to another program eligible buyer. The organization is also a first mortgage provider specializing in layered financing which is typically the case for BMR units. Over the past year, the organization has raised up to \$2.5 million in capital that can be used to purchase distressed BMR units. Also, as stated above, NHSSV understands the goals of local jurisdictions in preserving the affordability of their BMR units and has many existing and emerging contractual relationships.

The following steps represent the major activities that NHSSV will undertake under the Affordable Housing Preservation Purchase Program:

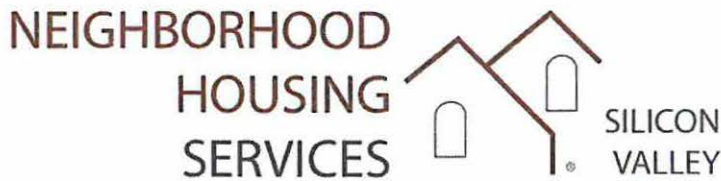
1. Housing Department members evaluate BMR units where lenders have filed Notices of Default and deed restriction framework for curing default and/or exercising Option to Purchase;
2. Foreclosure Intervention Counseling Team reviews BMR owner's ability to keep their home, all loan modification opportunities are exhausted before proceeding with the program. The Counseling team also assists in identifying transitional opportunities (move out assistance, rental referrals, etc.) for the current homeowners experiencing hardship;
3. Housing Department Real Estate Agents and support team evaluate the properties in detail (Appraisal, Inspection, Title);
4. Housing Department identifies BMR pre-approved applicants for the units and selects buyer according to BMR policies and procedures;
5. Housing Department, in partnership with the City of Morgan Hill, NHSSV's acquisition offer/Option to Purchase;
6. Housing Department oversees improvements to the home to ensure move-in ready condition for the new buyer; and
7. Housing Department chaperones seller and buyer through transaction according to deed restrictions and City policies and procedures.



May 2014 – April 2015 Contract Goals

1. Host quarterly BMR HomeOwner Days to educate current households about their deed restrictions and Foreclosure Intervention Counseling
2. Host quarterly onsite Morgan Hill HomeBuyer Opportunities Orientations for prospective Morgan Hill buyers
3. Complete HomeOwner Occupancy Certificate monitoring by August 1, 2014 for the remaining households who have yet to respond and appropriately act on those households who don't respond to final monitoring efforts
4. Upgrade current internal and external systems to manage households in deed restrictions default by providing pathways to cure. Upgraded systems includes April 2014 Housing Team staff training on implementing our newest grant - www.myhomekeeper.org, a new Salesfore.com database designed for organizations that manage affordable home ownership programs.





City of Morgan Hill Below Market Rate (BMR) Report – March 4, 2014

Reporting Period – May 1, 2012 – March 4, 2014

BMR Orientations

674 Households Participated in a BMR Orientation (also known as the HomeBuyer Opportunities Orientation or "HOO") with information about the Morgan Hill BMR Program

27 Total BMR Orientations "HOOs" hosted by NHSSV for future BMR buyers to learn about program and mortgage qualifications

BMR Sales

25 Closed Morgan Hill BMR New Construction Transactions

16 Closed Morgan Hill BMR Re-sale Transactions

7 Pending Morgan Hill BMR Transactions in contract with close of escrow dates

16+ TBD Morgan Hill BMR Transactions for Calendar Year 2014

BMR Refinances and Subordinations

49 Processed Applications Morgan Hill BMR Mortgage Refinances with Subordination

21 Closed Morgan Hill BMR HomeOwner Refinances with Subordination

Leveraged Capital

Preservation

\$640,000 in NHSSV grant money/capital to be provided to purchase and rehabilitate **2** BMR homes in mortgage default for re-sale to qualified Morgan Hill BMR buyers

\$60,000 in NHSSV grant money/capital provided to rehabilitate **3** City owned BMR homes for sale to Morgan Hill BMR qualified buyers

First Mortgage Lending

\$4,755,245.00 in NHSSV First Mortgage loans provided to **19** Morgan Hill BMR borrowers

Down Payment Assistance

\$2,592,691 in City of Morgan Hill Down Payment Assistance loans directed to **39** Morgan Hill BMR borrowers and **\$180,000** in NHSSV loans provided to **3** Morgan Hill BMR borrowers

BMR Administration/Compliance Monitoring

15 NHSSV staff members with specialized training to administer the City of Morgan Hill BMR Program

360/448 Current Morgan Hill BMR HomeOwners responded with a self-affidavit or "HomeOwner Occupancy Certificate" to three rounds of program monitoring with **90** open cases for HomeOwner Occupancy issues

13 Open cases of Morgan Hill BMR HomeOwners in mortgage or deed restriction default identified through NHSSV's Notice of Default "NOD" title search and City notification meetings with **2** closed cases of Morgan Hill BMR HomeOwners investigated for mortgage and/or deed restrictions default.

Scope of Work – May 2014 – April 2015

The Scope of Work details the roles and responsibilities of the City and Consultant. The Schedule starts from the date the contract is signed by both parties.

- | |
|---|
| A. Consultant will administer the Below Market Rate program and assure Below Market Rate (BMR) Deed Restrictions are recorded and followed by all parties as applicable for each property. |
| B. Consultant will provide Morgan Hill office hours upon request for current and future BMR homeowners. Our San Jose office hours are Monday – Friday 8am – 5pm. Nights and weekends are also available on request. |
| C. Consultant will regularly update BMR guidelines and program materials in conjunction with City staff to reflect the Consultant's administrative process for BMR Administration including, but not limited to: management of notification lists, applications, program pamphlets, resale calculations, buyer selection process, sale and resale of units, refinancing requests, collection of City fees and other applicable fees, and default monitoring/resolution process. Consultant's objective will be to streamline the process, reflect its business model and decrease the time to close on properties. |
| D. Consultant will provide a separate phone line and e-mail for the Morgan Hill BMR Program. |
| E. Consultant will establish in conjunction with City staff a web-page for the BMR program with access to basic program information. Applications will also be available on the website with links to the City website. City will provide on its website a link to the Consultant's website for program information. |
| F. Consultant and the City will develop mutually acceptable response times to BMR inquiries and processing times required to obtain City signatures. |
| G. Consultant shall maintain the City's existing databases and files for program administration and establish a file retention and management system for the program. All electronic records will be considered work products that are property of the City of Morgan Hill. |
| H. Consultant will process refinance and reconveyance requests and collect applicable City fees for the refinancing. Consultant will charge a processing fee for reconveyances (\$50) plus any recording fees. |
| I. Consultant will administer the City's loan programs for Madrone Plaza BMRs units that are being sold or resold using RDA or BEGIN. Consultant will use the existing program guidelines and process. The Consultant will collect and retain the City's servicing fee of 1.5% of the loan amount. Consultant shall pay the City 33.33% of the City's loan servicing fee. Consultant will handle all inquiries for the aforementioned loan programs. Credit reports, if required, would be an additional charge to the applicants. Consultant will provide the applicants with the following services: <ol style="list-style-type: none"> 1. Counseling and education of prospective borrowers regarding program and lending requirements. |

2. Conducting income qualifications including review of assets, income, VOE's and all other necessary approvals to ensure qualification for the City loans.
3. Making minor revisions to the City's existing program materials and legal documents.
4. Underwriting loan applications in accordance with program requirements.
5. Preparing all loan documents, overseeing proper execution thereof, and conducting final loan approval reviews.
6. Ensuring timely delivery of all necessary documents into escrow, and preparing escrow demands and funding requests.
7. Overall management and implementation of specific program policies, including required reporting.
8. Preparation of program materials by revising the City's current documents.
9. Calculating all pay off demands and issuing any disclosures and tax forms as required by State and/or Federal Law.

J. Consultant shall act as the exclusive sales agent for the City of Morgan Hill and potential buyers for the sale and resale of BMR homes. Consultant is licensed by the Bureau of Real Estate to list and sell properties as needed and legally work with and represent customers. Consultant will charge BMR re-sale transaction fees in line with applicable recorded Deed Restrictions. Consultant will charge the developer as agreed upon with City staff on new construction homes.

K. Consultant will coordinate document transmittals between buyers, homeowners, developers, and City as needed. Consultant will be responsible for ensuring all documents submitted for City signatures are complete and accurate. Consultant will be responsible for making any necessary corrections to documents.

L. Consultant will work with City staff to coordinate tracking of BMR units produced, BMR units waived as part of BMR Reduction Program, and housing in-lieu fees collected.

M. Consultant will review and process requests for refinancing of BMR homes, including subordination, collection of applicable fees, submittal of documents for signature and transmittal to title and lenders, and recordation of required documents and notices.

N. Consultant shall conduct monitoring to evaluate BMR owners' compliance with the terms and conditions of the BMR recorded deed restrictions including the following:

1. Mailing monitoring letters to all the BMR units.
2. Reviewing in conjunction with City staff, City or County Assessor data to assist in the process (e.g., water utility bills, property records)
3. Review City's preliminary monitoring list to identify follow up actions required.
4. Meet with City staff to develop guidelines for acceptable default remedies (e.g., allowing rental of BMR units for hardship cases).

O. Consultant will investigate and identify cure for potential BMR defaults including:

1. Conduct follow up of those BMR owners who do not submit their compliance documentation.
2. Reviewing information from calls from BMR neighbors and interest parties
3. Conduct internet research of BMR units to assess the potential for default.

4. Conduct reasonable follow-up investigation to assess potential BMR defaults including unit site visits.
5. Scheduled appointments with BMR owners
6. For confirmed defaults, provide owners with list of actions needed to remedy the default and conduct follow-up to monitoring compliance.
7. Maintaining log of actions taken to remedy the defaults
8. For those defaults in which the owners choose to not remedy the situation within a reasonable amount of time, Consultant will meet with City staff to determine the course of action to pursue. The City is responsible for taking any legal actions. Consultant will be compensated on a time and material basis for working with legal counsel to remedy default situations.
9. City will provide a list of any current BMR defaults and actions taken to date.
P. Consultant will develop annual performance measures for BMR program administration. These measures would be developed in conjunction with City staff. Performance measures will be included in annual BMR summary report.
Q. Consultant shall conduct introductory Home Buyer Education/Training classes – HomeBuyer Opportunities Orientation (HOO) prior to BMR application
R. Consultant shall conduct HUD Certified 8-hr Homebuyer Training Class and provide participants who complete the course a FTHB Certificate.
S. On or before October 1 st Consultant shall provide the City with an annual BMR Administration report including summaries of Sale and Resale activities, City fees collected, and Refinancing activities for the fiscal year (July 1 thru June 30).
T. Consultant will offer applicants, as available, with mortgage pre-qualification counseling.
U. Consultant will offer BMR owners with Mortgage Default Prevention/Counseling.
V. Consultant will partner with the City to create of City legal templates for documents required for signature by the BMR participants. Consultant shall supply documents that are typically used in Santa Clara County for residential real estate transactions (e.g. purchase and sale, disclosure acknowledgements, addendums, etc.)
LL. Consultant will provide mortgage finance referrals, as necessary. Consultant will use the City's list or develop a new list if needed. City staff will need to inform Consultant of any lender requirements it may have.
MM. Consultant will review of individual BMR restrictions for terms and requirements as needed including sweat equity and equity share units, Madrone Plaza units, Royal Court, and Viale. Consultant will discuss its findings with City staff.
NN. Consultant will prepare City staff reports on a time and materials basis.



Schedule of Compensation

<u>Annual Administrative Fee:</u> (1/12 of annual fees paid by Day 1 of following month)	\$75,000
<u>BMR City Refinance Fee:</u> (Paid by Owner and Consultant to transmit 20% of fee to City along with documents for signature)	\$511
<u>BMR City Refinance w/Subordination Fee:</u> (Paid by Owner and Consultant to transmit 20% of fee to City along with documents for signature)	\$1,022
<u>BMR Transaction Fee:</u>	Paid by Seller based on Deed Restrictions
<u>BMR New Construction Transaction Fee:</u>	Paid by Developer as agreed upon by the City
<u>Additional non-scope Items:</u> on a time and materials basis and only with prior approval of City and based on the hourly costs noted below:	
Special Projects	\$150.00/hour

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